

NORTH GRAND CANE FIELD
07-106 and 07-107

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, FEBRUARY 13, 2007**, upon the application of **BEUSA ENERGY, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Hosston Formation, Reservoir B, and the Cotton Valley Formation, Reservoir A**, in the North Grand Cane Field, DeSoto Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Hosston Formation, Reservoir B and the Cotton Valley Formation, Reservoir A.
2. To create four (4) drilling and production units for the exploration for and production of gas and condensate from each of said formations and reservoirs.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate an operator of, and unit wells for, the proposed units as may be appropriate.
5. To propose that future wells drilled to these formations and reservoirs within or outside of the units proposed herein be located no closer than 660 feet to any unit boundary and no closer than 2000 feet to any other well permitted to or completed in the same formation and reservoir.
6. To permit Applicant to combine downhole production from the Cotton Valley Formation, Reservoir A, with production from the Hosston Formation, Reservoir B, in any well drilled on the proposed units in which the ownership interest in the Cotton Valley Formation and Hosston Formation units are identical.
7. To define the Cotton Valley Formation, Reservoir A, as the stratigraphic equivalent of that interval encountered between the measured depths of 9,140' and 10,177' in the Bidas Energy USA, Inc.- John A Blunt 14 No. 1 Well (SN 229039), located in Section 14, Township 12 North, Range 15 West, DeSoto Parish, Louisiana.
8. To consider such other matters as may be pertinent.

The Hosston Formation was defined in Office of Conservation Order No. 855-C, effective November 1, 1979.

Plats are available for inspection in the Office of Conservation in **Baton Rouge and Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

1/9/07;1/12/07

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.